

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
BALTIMORE DIVISION**

In re:

NOVATION COMPANIES, INC., *et al.*,¹

Debtors.

Chapter 11

Case Nos. 16-19745, 19747-19749 DER

(Jointly Administered)

**LINE FILING THE PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW
AND ORDER CONFIRMING, PURSUANT TO SECTION 1129(A) AND (B) OF
THE BANKRUPTCY CODE, THE SECOND AMENDED PLAN OF
REORGANIZATION OF NOVATION COMPANIES, INC.**

The above-captioned debtors and debtors in possession, by undersigned counsel, hereby files the proposed Findings of Fact, Conclusions of Law and Order Confirming, Pursuant to Section 1129(a) and (b) of the Bankruptcy Code, the Second Amended Plan of Reorganization of Novation Companies, Inc. (the “Confirmation Order”). This proposed form of Confirmation Order has been agreed upon by all parties, including the Debtors, Noteholders, Creditors Committee, the United States Trustee, the staff of the SEC, the New Jersey Carpenters Fund, but not Deutsche Bank National Trust Company (“Deutsche Bank”). The Debtors will continue to attempt to resolve any open issues with Deutsche Bank between the filing of this Line and the hearing scheduled for 11:00 AM on Monday, June 5, 2017.

¹ The Debtors in these chapter 11 cases are: (i) Novation Companies, Inc. f/k/a NovaStar Financial, Inc., (ii) NovaStar Mortgage LLC f/k/a NovaStar Mortgage, Inc., (iii) NovaStar Mortgage Funding Corporation and (iv) 2114 Central, LLC f/k/a Advent Financial Services, LLC.

Dated: June 2, 2017

Respectfully submitted,

/s/ Joel I. Sher

Joel I. Sher, Bar No. 00719

SHAPIRO SHER GUINOT & SANDLER

250 W. Pratt Street, Suite 2000

Baltimore, Maryland 21201

Tel: 410-385-4277

Fax: 410-539-7611

Email: jis@shapirosher.com

Counsel to the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2nd day of June, 2017, a copy of the *Line Filing the proposed Findings of Fact, Conclusions of Law and Order Confirming, Pursuant to Section 1129(a) and (b) of the Bankruptcy Code, the Second Amended Plan of Reorganization of Novation Companies, Inc.* was served on the parties listed below by electronic mail.

Jason W. Harbour, Esquire
Nathan Kramer, Esquire
Tyler P. Brown, Esquire
HUNTON & WILLIAMS, LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219
jharbour@hunton.com
nkramer@hunton.com
tpbrown@hunton.com

Counsel for Creditors' Committee

John W. Weiss, Esquire
ALSTON & BIRD LLP
90 Park Avenue
New York, New York 10016
John.weiss@alston.com

Scott J. Pivnick, Esquire
ALSTON & BIRD LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004
Scott.pivnick@alston.com

Attorneys for Taberna Preferred Funding I, Ltd. and Taberna Preferred Funding II, Ltd. (c/o TP Management LLC)

Thomas C. Goodhue, Esquire
HUNTON & WILLIAMS LLP
2200 Pennsylvania Ave., NW
Washington, DC 20037
tgoodhue@hunton.com

Jonathan T. Edwards, Esquire
ALSTON & BIRD LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309
Jonathan.edwards@alston.com

Hugh Bernstein, Esquire
Katherine A. Levin, Esquire
OFFICE OF THE U.S. TRUSTEE
101 West Lombard Street, Suite 2625
Baltimore, MD 21201
Hugh.M.Bernstein@usdoj.gov
Katherine.A.Levin@usdoj.gov

Susan R. Sherrill-Beard, Esquire
U.S. SECURITIES AND EXCHANGE
COMMISSION
Office of Reorganization (Atlanta Regional
Office)
950 East Paces Ferry Road, N.E., Suite 900
Atlanta, GA 30326-1382
sherrill-beards@sec.gov
*Counsel for U.S. Securities and Exchange
Commission*

Michael S. Etkin, Esquire
Andrew Behlmann, Esquire
Keara M. Waldron, Esquire
LOWENSTEIN SANDLER LLP
65 Livingston Avenue
Roseland, New Jersey 07068
metkin@lowenstein.com
abehlmann@lowenstein.com
kwaldron@lowenstein.com

Joel P. Laitman, Esquire
Christopher Lometti, Esquire
Michael B. Eisenkraft, Esquire
Daniel B. Rehns, Esquire
Robert Dumas, Esquire
COHEN MILSTEIN SELLERS & TOLL PLLC
88 Pine Street
New York, New York 10005
jlaitman@cohenmilstein.com
clometti@cohenmilstein.com
meisenkraft@cohenmilstein.com
drehns@cohenmilstein.com
rdumas@cohenmilstein.com

Alan M. Grochal, Esquire
TYDINGS & ROSENBERG LLP
100 East. Pratt Street, 26th Floor
Baltimore, Maryland 21201
agrochal@tydingslaw.com

Counsel for Interested Party, New Jersey Carpenters Health Fund

Irving E. Walker, Esquire
Cole Schotz P.C.
300 E. Lombard Street, Suite 1450
Baltimore, MD 21202
iwalker@coleschotz.com

Mark Tsukerman, Esquire
Cole Schotz P.C.
1325 Avenue of the Americas
19th Floor
New York, NY 10019
mtsukerman@coleschotz.com

Counsel for Oberon Securities, LLC

Matthew G. Summers, Esquire
BALLARD SPAHR LLP
300 El. Lombard Street, 18th Floor
Baltimore, Maryland 21202
summersm@ballardspahr.com

Paul Laurin, Esquire
BARNES & THORNBURG LLP
2029 Century Park East, Suite 300
Los Angeles, California 90067
Paul.Laurin@btlaw.com

Counsel for Butler America, LLC and Healthcare Staffing, Inc.

Martin H. Schreiber, II, Esquire
Law Office of Martin H. Schreiber II, LLC
3600 Clipper Mill Road, Suite 201
Baltimore, Maryland 21211
Email: mhs@schreiber-law.com

James Gadsden, Esquire
Leonardo Trivigno, Esquire
CARTER LEDYARD & MILBURN LLP
Two Wall Street
New York, New York
Email: bankruptcy@clm.com

Counsel for The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely in its capacity as Trustee under certain Indentures

Brett H. Miller, Esquire
MORRISON & FOERSTER LLP
250 West 55th Street
New York, New York 10019
brettmiller@mofo.com

Counsel to Kodiak CDO I, Ltd. c/o EJF Investments Manager, LLC (f/k/a Kodiak Capital Management Company, LLC)

Linda V. Donhauser, Esquire
Miles & Stockbridge P.C.
100 Light Street, 10th Floor
Baltimore, Maryland 21202
Phone: (410) 385-3684
ldonhauser@milesstockbridge.com

Counsel for Deutsche Bank National Trust Company, solely in its capacity as trustee of the NovaStar Mortgage Funding Trust Series 2007-1

/s/ Joel I. Sher

Joel I. Sher